

HOUSE BILL 1345

Q5, Q3, R4

4lr2484
CF SB 908

By: **Delegate McHale (By Request – Maryland Electric Vehicle Infrastructure Council) and Delegates Malone, Clippinger, and Hammen**

Introduced and read first time: February 7, 2014

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 10, 2014

CHAPTER _____

1 AN ACT concerning

2 **Electric Vehicles and Recharging Equipment – Rebates and Tax Credits**

3 FOR the purpose of repealing the credit against the State income tax for the cost of
4 certain qualified electric vehicle recharging equipment; establishing, for certain
5 ~~calendar~~ fiscal years, the Electric Vehicle Recharging Equipment Rebate
6 Program to provide certain rebates to certain individuals and ~~business~~ entities
7 for the costs of acquiring and installing certain equipment; requiring the
8 Maryland Energy Administration to administer the Program; providing for the
9 amount of a rebate and a limit on the total amount of rebates that may be
10 issued; limiting the number of rebates that an individual may claim;
11 authorizing the Administration to adopt certain regulations; authorizing the
12 Administration to use the Maryland Strategic Energy Investment Fund to pay
13 for certain rebates; extending the credit against the motor vehicle excise tax for
14 certain qualified plug-in electric drive vehicles for a certain period of time;
15 altering the type of vehicle the credit applies to; altering the calculation of the
16 credit; providing that the credit may not exceed a certain amount; altering a
17 requirement to transfer certain amounts from the Fund during certain fiscal
18 years; transferring certain money from the Fund to the Transportation Trust
19 Fund in certain fiscal years; defining certain terms; and generally relating to
20 tax incentives for the purchase of electric vehicles and certain rebates for the
21 purchase and installation of electric vehicle recharging equipment.

22 BY repealing

23 Article – Tax – General

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 10–729
2 Annotated Code of Maryland
3 (2010 Replacement Volume and 2013 Supplement)

4 BY repealing and reenacting, without amendments,
5 Article – State Government
6 Section 9–2001(a) and (b) and 9–20B–05(a)
7 Annotated Code of Maryland
8 (2009 Replacement Volume and 2013 Supplement)

9 BY adding to
10 Article – State Government
11 Section 9–2009 and 9–20B–05(f)(7)
12 Annotated Code of Maryland
13 (2009 Replacement Volume and 2013 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – State Government
16 Section 9–20B–05(f)(6) and (7)
17 Annotated Code of Maryland
18 (2009 Replacement Volume and 2013 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Transportation
21 Section 13–815
22 Annotated Code of Maryland
23 (2012 Replacement Volume and 2013 Supplement)

24 BY repealing and reenacting, with amendments,
25 Chapter 389 of the Acts of the General Assembly of 2013
26 Section 2

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
28 MARYLAND, That the Laws of Maryland read as follows:

29 **Article – Tax – General**

30 [10–729.

31 (a) (1) In this section the following words have the meanings indicated.

32 (2) “Administration” means the Maryland Energy Administration.

33 (3) “Qualified electric vehicle recharging equipment” means property
34 used for the recharging of motor vehicles propelled by electricity that meets the
35 definition of “qualified alternative fuel vehicle refueling property” in § 30C of the
36 Internal Revenue Code.

1 (b) For tax years 2011 through 2016 only, an individual or corporation that
2 receives an initial credit certificate under subsection (d) of this section from the
3 Administration may claim a credit against the State income tax for a taxable year in
4 an amount equal to 20% of the cost of any qualified electric vehicle recharging
5 equipment placed in service by the taxpayer during the taxable year.

6 (c) (1) For any taxable year, the credit allowed under this section may not
7 exceed the lesser of:

8 (i) \$400 for each individual recharging system; or

9 (ii) the State income tax for that taxable year.

10 (2) The unused amount of the credit for any taxable year may not be
11 carried over to any other taxable year.

12 (d) (1) On application by a taxpayer, the Administration shall issue an
13 initial credit certificate in an amount equal to 20% of the estimated cost of the
14 qualified electric vehicle recharging equipment to be placed in service in the State by
15 the taxpayer during the taxable year.

16 (2) The initial credit certificate issued under this subsection shall
17 state the maximum amount of credit that may be claimed by the taxpayer.

18 (3) The credit allowed under this section is limited to the acquisition
19 of:

20 (i) 1 recharging system per individual; and

21 (ii) 30 recharging systems per business entity.

22 (4) The Administration may issue total credit certificates not to exceed
23 the following amounts:

24 (i) for tax year 2011, \$400,000;

25 (ii) for tax year 2012, \$500,000; and

26 (iii) for tax years 2013 through 2016, inclusive, \$600,000 each
27 tax year.

28 (5) On January 1, 2012, and each year the credit is authorized, the
29 Administration shall provide to the Comptroller a list of all taxpayers in the prior tax
30 year that have been issued an initial credit certificate and shall specify for each
31 taxpayer the maximum amount of credit allowed.

1 (6) (i) The Administration may adopt regulations to administer the
2 initial credit certificate required under this subsection.

3 (ii) The regulations adopted by the Administration may include
4 a further limit on the maximum amount of credit that may be claimed by the
5 taxpayer.]

6 Article – State Government

7 9–2001.

8 (a) In this subtitle the following words have the meanings indicated.

9 (b) “Administration” means the Maryland Energy Administration.

10 **9–2009.**

11 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
12 **MEANINGS INDICATED.**

13 **(2) “ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE”**
14 **MEANS A REBATE ISSUED BY THE ADMINISTRATION UNDER THIS SECTION FOR**
15 **THE COST OF QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.**

16 **(3) “QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT”**
17 **MEANS PROPERTY IN THE STATE THAT IS USED FOR RECHARGING MOTOR**
18 **VEHICLES PROPELLED BY ELECTRICITY.**

19 **(B) (1) THERE IS AN ELECTRIC VEHICLE RECHARGING EQUIPMENT**
20 **REBATE PROGRAM.**

21 **(2) THE ADMINISTRATION SHALL ADMINISTER THE PROGRAM.**

22 **(C) (1) FOR ~~CALENDAR YEARS 2014~~ FISCAL YEARS 2015 THROUGH**
23 **2017, SUBJECT TO THE PROVISIONS OF THIS SECTION, AN ~~INDIVIDUAL OR~~**
24 **INDIVIDUAL, A BUSINESS ENTITY, OR A UNIT OF STATE OR LOCAL GOVERNMENT**
25 **MAY APPLY TO THE ADMINISTRATION FOR AN ELECTRIC VEHICLE RECHARGING**
26 **EQUIPMENT REBATE FOR THE COSTS OF ACQUIRING AND INSTALLING**
27 **QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.**

28 **(2) FOR EACH ~~CALENDAR~~ FISCAL YEAR, THE TOTAL AMOUNT OF**
29 **REBATES ISSUED BY THE ADMINISTRATION MAY NOT EXCEED \$600,000.**

30 **(3) THE ADMINISTRATION MAY ALLOW AN APPLICANT TO**
31 **INCLUDE REASONABLE INSTALLATION COSTS IN THE COST OF QUALIFIED**

1 ELECTRIC VEHICLE RECHARGING EQUIPMENT FOR THE PURPOSE OF
2 CALCULATING THE AMOUNT OF AN ELECTRIC VEHICLE RECHARGING
3 EQUIPMENT REBATE.

4 (D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE
5 ADMINISTRATION MAY ISSUE AN ELECTRIC VEHICLE RECHARGING EQUIPMENT
6 REBATE TO:

7 (1) AN INDIVIDUAL IN AN AMOUNT EQUAL TO THE LESSER OF:

8 (I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING
9 QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR

10 (II) \$900; OR

11 (2) A BUSINESS ENTITY OR UNIT OF STATE OR LOCAL
12 GOVERNMENT IN AN AMOUNT EQUAL TO THE LESSER OF:

13 (I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING
14 QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR

15 (II) \$5,000.

16 (E) AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE ISSUED
17 UNDER THIS SECTION IS LIMITED TO THE ACQUISITION OF ONE RECHARGING
18 SYSTEM PER INDIVIDUAL.

19 (F) (1) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY
20 OUT THIS SECTION.

21 (2) THE REGULATIONS ADOPTED UNDER THIS SUBSECTION MAY
22 INCLUDE:

23 (I) FURTHER LIMITATIONS ON THE MAXIMUM AMOUNT OF
24 AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE THAT MAY BE
25 CLAIMED BY AN APPLICANT UNDER SUBSECTION (D) OF THIS SECTION;

26 (II) A REQUIREMENT THAT AN APPLICANT DEMONSTRATE
27 COMPLIANCE WITH A STATE, LOCAL, OR FEDERAL LAW THAT APPLIES TO THE
28 INSTALLATION OR OPERATION OF THE QUALIFIED ELECTRIC VEHICLE
29 RECHARGING EQUIPMENT; AND

30 (III) ANY ADDITIONAL APPLICATION AND QUALIFICATION
31 REQUIREMENTS DEEMED APPROPRIATE BY THE ADMINISTRATION.

1 9–20B–05.

2 (a) There is a Maryland Strategic Energy Investment Fund.

3 (f) The Administration shall use the Fund:

4 (6) to implement energy–related public education and outreach
5 initiatives regarding reducing energy consumption and greenhouse gas emissions;
6 [and]

7 **(7) TO PROVIDE REBATES UNDER THE ELECTRIC VEHICLE**
8 **RECHARGING EQUIPMENT REBATE PROGRAM ESTABLISHED UNDER § 9–2009**
9 **OF THIS TITLE; AND**

10 **[(7)] (8)** to pay the expenses of the Program.

11 **Article – Transportation**

12 13–815.

13 (a) In this section, “excise tax” means the tax imposed under § 13–809 of this
14 subtitle.

15 (b) This section applies only to a plug–in electric drive vehicle that:

16 (1) Has not been modified from original manufacturer specifications;

17 (2) Is acquired for use or lease by the taxpayer and not for resale; and

18 (3) Is [titled by the taxpayer] **PURCHASED NEW AND TITLED FOR**
19 **THE FIRST TIME** on or after ~~October 1, 2010~~ **JULY 1, 2014**, but before July 1, [2014]
20 **2017**.

21 (c) **[(1)]** Subject to available funding, a credit is allowed against the excise
22 tax imposed for a plug–in electric drive vehicle.

23 **[(2)]** Subject to the limitations under subsections (d) through (f) of this
24 section, the credit allowed under this section equals 100% of the excise tax imposed for
25 a vehicle.]

26 (d) The credit allowed under this section may not exceed **THE LESSER OF:**

27 **[(1)]** \$600 for a vehicle with a battery capacity of at least 4.0
28 kilowatt–hours but not more than 10.0 kilowatt–hours;

1 (2) \$700 for a vehicle with a battery capacity of at least 10.1
2 kilowatt-hours but not more than 15.0 kilowatt-hours; and

3 (3) \$1,000 for a vehicle with a battery capacity of at least 15.0
4 kilowatt-hours.]

5 (1) THE PRODUCT OF \$125 TIMES THE NUMBER OF
6 KILOWATT-HOURS OF BATTERY CAPACITY OF THE VEHICLE; OR

7 (2) \$3,000.

8 (e) The credit allowed under this section is limited to the acquisition of:

9 (1) One vehicle per individual; and

10 (2) 10 vehicles per business entity.

11 (f) A credit may not be claimed under this section:

12 (1) For a vehicle unless the vehicle is registered in the State; OR

13 (2) Unless the manufacturer has already conformed to any applicable
14 State or federal laws or regulations governing clean-fuel vehicle or electric vehicle
15 purchases applicable during the calendar year in which the vehicle is titled; ~~or~~

16 ~~(3) For a vehicle that was initially registered in another state.~~

17 (g) The Motor Vehicle Administration shall administer the credit under this
18 section.

19 **Chapter 389 of the Acts of 2013**

20 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any
21 other provision of law, for fiscal [years 2016, 2017, and 2018, respectively,] YEAR
22 **2016**, the lesser of \$600,000 or the total amount of credit certificates issued in tax
23 [years 2014, 2015, and 2016, respectively,] YEAR **2014** shall be transferred from the
24 Strategic Energy Investment Fund established under § 9-20B-05 of the State
25 Government Article to the General Fund to offset a reduction in revenues from the tax
26 credit for electric vehicle recharging equipment established under § 10-729 of the
27 Tax – General Article as enacted by this Act.

28 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any
29 other provision of law, for fiscal years 2015, 2016, and 2017, respectively, the lesser of
30 \$1,287,000 or the actual total amount of credits allowed against the excise tax shall be
31 transferred from the Strategic Energy Investment Fund established under § 9-20B-05
32 of the State Government Article to the Transportation Trust Fund to offset a reduction

1 in revenues from the vehicle excise tax credit for qualified plug-in electric drive
2 vehicles under § 13-815 of the Transportation Article, as enacted by this Act. The total
3 amount of credits allowed against the excise tax may not exceed \$1,800,000 during the
4 course of any fiscal year.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 2014.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.